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18 UNITED STATES DISTRICT COURT
19 NORTHERN DISTRICT OF CALIFORNIA

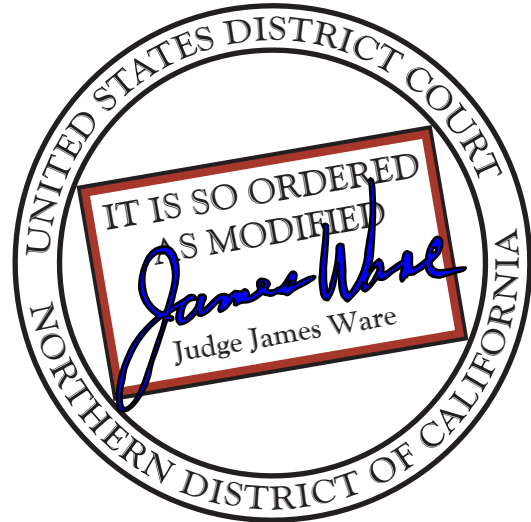
20 COLUMBIA ENERGY, L.L.C.,

21 *Plaintiff,*

22 vs.

23 SARGENT & LUNDY, L.L.C. and SECURITY
24 INSURANCE COMPANY OF HARTFORD,

25 *Defendants.*



Case No. CV 04-04436 JW

**JOINT STATUS REPORT AND REQUEST
FOR CONTINUANCE OF STATUS
CONFERENCE**

**ORDER CONTINUING STATUS
CONFERENCE**

26 Plaintiff Columbia Energy, L.L.C. ("Columbia") and Defendant Sargent & Lundy, L.L.C.
27 ("S&L") submit this Post-Mediation Joint Status Report and Request for Continuance of Case
28 Management Conference:

1. As previously reported to the Court, on or about December 20, 2005, each of Calpine Corporation and numerous affiliated companies, including Columbia, filed a voluntary petition for protection (the "Chapter 11 Cases") under the United States Bankruptcy Code in the United States

1 Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The jointly
2 administered Chapter 11 Cases are still pending before the Bankruptcy Court as Chapter 11 Case No.
3 05-60200 (BRL).¹

4 2. As reported to the Court in a Post-Mediation Joint Status Report dated November 1,
5 2007, through mediation, the parties reached an agreement in principle to settle all disputes in this
6 lawsuit, conditioned upon (1) finalizing a definitive settlement agreement; (2) obtaining approval of
7 the settlement from senior management of Calpine Corporation, the parent company of Columbia;
8 and (3) obtaining approval of the settlement from the Bankruptcy Court.

9 3. On December 6, 2007, Columbia, S&L and Security Insurance Company of Hartford
10 ("Security") executed a Settlement Agreement and Mutual Releases ("Settlement Agreement") that
11 will fully resolve all disputes in this matter if it becomes final and effective. The Settlement
12 Agreement is conditioned upon obtaining a final, non-appealable order by the Bankruptcy Court
13 approving the Settlement Agreement.

14 4. On December 14, 2007, the Debtors (including Columbia) in the Chapter 11 Cases
15 filed a motion with the Bankruptcy Court seeking an order approving the Settlement Agreement (the
16 "Motion"). A hearing before the Bankruptcy Court on the Motion is now scheduled for January 15,
17 2008.

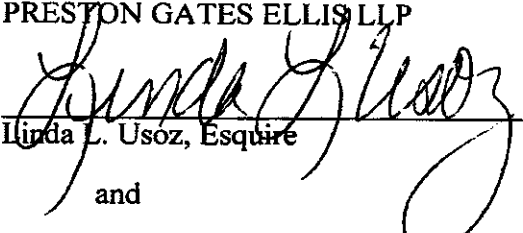
18 5. In light of the timing for the hearing on the Motion and the 10-day appeal period that
19 governs orders entered in the Bankruptcy Court, there will not be a final, non-appealable order
20 approving the Settlement Agreement any time prior to January 26, 2008. Hence, the Settlement
21 Agreement will not become final and effective prior to that date.

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27 ¹ On December 19, 2007, the Bankruptcy Court issued an order approving Calpine Corporation's Sixth
28 Amended Joint Plan of Reorganization (the "Plan"), which, subject to the satisfaction of certain conditions, is
now expected to become effective prior to February 7, 2008.

1 6. In light of the foregoing, the parties jointly move for an Order continuing the
2 Settlement Status Conference, now scheduled for January 14, 2008, for 45 days, during which time,
3 Debtors will seek approval of the Settlement Agreement from the Bankruptcy Court.
4

5 Dated: January 4, 2008
6

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8 PRESTON GATES ELLIS LLP

9 
10 Linda L. Usoz, Esquire

11 and

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Peter C. Lyon, Esquire

David A. Ericksen, Esquire

Attorneys for Sargent & Lundy

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24 *** ORDER ***
25

26 Based on the representations above, the Court continues the Status Conference
27 Re: Settlement from January 14, 2008 to **March 10, 2008 at 10 A.M.** to give the
28 parties sufficient time to finalize and seek approval of the Settlement Agreement. On
or before **February 29, 2008**, the parties shall file a Joint Status Report to update the
Court on the settlement efforts.

Dated: January 10, 2008


JAMES WARE
United States District Judge